

ATTACHMENT NO. 2

EXCERPT FROM THE DRAFT EIR (pages 5-2 through 5-6)

5.2 GROWTH-INDUCING IMPACTS OF THE PROPOSED ACTION

The California Environmental Quality Act (CEQA) requires a discussion of the ways in which a proposed project could be growth-inducing. The CEQA Guidelines identify a project as growth-inducing if it would foster economic growth or population growth or the construction of additional housing, either directly or indirectly, in the surrounding environment [CEQA Guidelines Section 15126.2(d)]. For example, new employees from commercial and industrial development and new population from residential development represent direct forms of growth. These direct forms have a secondary effect of expanding the size of local markets and inducing additional economic activity in the area.

A project could also indirectly induce growth by reducing or removing barriers to growth, or by creating a condition that attracts additional population or new economic activity. However, a project's potential to induce growth does not automatically result in growth. Growth can only happen through capital investment in new economic opportunities by the private or public sectors. Development pressures are a result of economic investment in a particular locality. These pressures help to structure the local politics of growth and the local jurisdiction's posture on growth management and land use policy. Land use policies of local municipalities and counties largely regulate growth at the local level.

Under CEQA, growth inducement is not considered necessarily detrimental, beneficial, or of little significance to the environment. Typically, the growth-inducing potential of a project would be considered significant if it fosters growth or a concentration of population in excess of what is assumed in pertinent master plans, land use plans, or in projections made by regional planning agencies such as the Southern California Association of Governments (SCAG). Significant growth impacts could also occur if the project provides infrastructure or service capacity to accommodate growth beyond the levels currently permitted by local or regional plans and policies. In general, growth induced by a project is considered a significant impact if it directly or indirectly affects the ability of agencies to provide needed public services, or if it can be demonstrated that the potential growth significantly affects the environment in some other way.

Population

The population of the County of Orange was 2,867,700 as of January 1, 2000 and 2,925,700 as of January 1, 2001. This represented a 2.0 percent increase in population over this time period. The population of the City of Huntington Beach was 190,300 as of January 1, 2000 and 193,700 as of January 1, 2001.¹ This represented a 1.8 percent increase in population over this time period. Therefore, the population of the City of

¹

California Department of Finance, "City/County Population Estimates, with Annual Percent Change, January 1, 2000 and 2001." May 2001.

Huntington Beach increased at a slightly slower rate than that of the County over the past year. In 2001, the population of the City of Huntington Beach represented 6.6 percent of the total population of the County of Orange. The California Department of Finance estimates an increase in County population to 3,031,440 in the year 2005, and to 3,168,942 in the year 2010.²

The proposed project may have the potential to indirectly induce growth because additional or supplemental water supplies will be made available to the South Coast Hydrologic Region of California and particularly to Orange County as a result of the project's implementation. However, while the provision of additional/supplemental water realized by the desalination plant may be characterized as reducing one of the barriers to growth, implementation of the project may not necessarily induce growth because the new water supply made available by the project will be needed to replace anticipated reductions in available imported water supplies. In addition, implementation of the project will provide greater flexibility in meeting existing water supply needs during times of drought.

Housing

The California Department of Finance estimated approximately 967,112 housing units with a vacancy rate of 3.52 percent in the County of Orange, and 75,524 housing units with a vacancy rate of 2.65 percent in the City of Huntington Beach as of January 1, 2000.³ The desalination project would occur within an industrial area and would not involve the construction of any new housing or the relocation of any existing housing.

Employment

The proposed project site is currently occupied with several fuel storage tanks. The existing facility does not require the employment of any personnel. Implementation of the proposed desalination would generate minor short-term and nominal long-term employment within the City of Huntington Beach. The proposed plant would employ a total of 18 people, with five to seven people working on-site Monday through Friday and a minimum of two people on duty during swing shifts, graveyard shifts, and weekends. Project implementation would not appreciably affect the projected employment figure of 1,667,778 jobs in the year 2005 for the County of Orange.⁴

Jobs/Housing Balance

Information obtained from the Southern California Association of Governments (SCAG) indicates that the City's jobs/housing ratio was 1.109 in 2000. This ratio indicates that more job positions exist within the City of Huntington Beach than housing units. This trend is anticipated to increase into the future. The jobs/housing ratios for 2000-2025 are included in Table 5-1, *CITY OF HUNTINGTON BEACH JOBS/HOUSING RATIO, 2000-2025*.

² Center for Demographic Research, "Orange County Facts and Figures", March 2002.

³ California Department of Finance, Report E-5, "City/County Population and Housing Estimates, 2000 and 2001." July 2001.

⁴ Center for Demographic Research, "Orange County Facts and Figures", March 2002.

The proposed desalination project will not affect General Plan or Zoning designations for the project area and, as such, will not affect SCAG's current jobs/housing balance projections for the City.

Table 5-1
CITY OF HUNTINGTON BEACH
JOBS/HOUSING RATIO, 2000-2025

Year	Jobs/Housing Ratio
2000	1.109
2005	1.171
2010	1.213
2015	1.239
2020	1.266
2025	1.289

Source: Javier Minjaves, Southern California Association of Governments, 11/21/01

Water Supply

Water supplies are typically allocated on an aggregate basis among diverse demands (urban, agricultural, and environmental) and across a geographically broad market. In California, water supplies are generally managed to be available for use within defined regions or service areas. This project, and primary users of water made available by this project, lie within a region defined by the California Department of Water Resources in Bulletin 160-98 (the California Water Plan Update) as the South Coast Hydrologic Region (the South Coast Region).⁵

The South Coast Region is bounded by the Santa Barbara/Ventura County line and the San Gabriel and San Bernardino Mountains to the north; a combination of the San Jacinto Mountains and low-elevation mountain ranges in central San Diego County to the east; the Mexican border to the south; and the Pacific Ocean to the west. The South Coast Region is described as "California's most urbanized hydrologic region" containing only seven percent of the state's total land area, but roughly 54 percent of the state's population (Bulletin 160-98, page 7-47). Through an integrated system of pipelines, pumps, and treatment facilities, the Metropolitan Water District of Southern California (MWD) delivers imported water to approximately 95 percent of the South Coast Region (Bulletin 160-98, page 7-48).

5

In 1957, the Department of Water Resources published Bulletin 3, the California Water Plan. Bulletin 3 was followed by the Bulletin 160 series. The Bulletin 160 series was published six times between 1966 and 1993, updating the California Water Plan. A 1991 amendment to the California Water Code directed the Department to update the plan every five years. Bulletin 160-98 is the latest in the series.

The County of Orange and the service area of the Municipal Water District of Orange County (MWDOC) are located at the center of the South Coast Region. In addition to the statewide water planning information available in the California Water Plan, local water planning information is also readily available for Orange County water supplies. The Urban Water Management Planning Act of 1983 requires all urban water suppliers to prepare and adopt an Urban Water Management Plan, and to update that plan every five years using a 20-year planning horizon. MWDOC supplies imported water to 32 local water agencies and cities throughout the County of Orange. The most recent MWDOC Regional Urban Water Management Plan (UWMP) is dated December 20, 2000.

Neither CEQA, or the CEQA Guidelines provide a specific methodology for determining whether or not a project will have growth-inducing impacts. One methodology would be to assume a “worst case” scenario, wherein all water produced by the desalination plant, or indirectly made available by implementation of the project, would be directed entirely toward supporting new growth. The Department of Water Resources has long recognized the entire South Coast Region as hydrologically interconnected, as well as physically connected by the MWD pipeline system. The proposed desalination plant project would produce 50 mgd (or 56,000 acre feet per year) of potable water for ultimate use within the South Coast Region. In comparison, the total 1995 water use in an average year for the South Coast Region was 5,224,000 acre feet (Bulletin 160-98, Table 7-21). The project would result in the nominal addition of slightly over one percent of the existing supplies used in the South Coast Region.

If the potential growth impact area is theoretically narrowed to only include Orange County, the project’s contribution is greater. MWDOC reported the total Orange County water use for the year 2000 as 703,000 acre feet (MWDOC UWMP, page 2-2). Under the “worst case” scenario analysis, the project would result in the addition of less than eight percent of the existing supplies used in Orange County. With a projected population growth of approximately two percent per year, the project alone would not supply enough water to serve long-term growth projections for Orange County.

Water planning documents are legally required to provide projections of future water needs (based on population projections and other factors) and to identify, to the extent feasible, where the water supplies to meet those needs will be found. In the South Coast Region (and particularly in Orange County) those planning documents have identified sea water desalination as one of the future supplies necessary to provide water for projected growth.

Bulletin 160-98 identifies a projected year 2020 need of 6,084,000 acre feet per year in the South Coast Region. The Department of Water Resources has identified 5,141,000 acre feet of available water supply for 2020 (83,000 acre feet less than was available in 1995). This would result in a 944,000 acre feet shortage of available water in 2020 in an average year, and a 1,317,000 acre feet shortage in a drought year (refer to Bulletin 160-98, Table 7-21 and Table 3-2, *SOUTH COAST REGION WATER BUDGET*). Substantial reductions in the amount of imported Colorado River supplies and in the amount of imported State Water Project supplies from Northern California have been mandated and have been reflected in the projections. The Department of Water Resources identified seawater desalting as one of several management options available to offset these reductions, and stated “seawater desalting is sometimes described as the ultimate solution to Southern California’s water supply shortfall”

(Bulletin 160-98, page 7-70). However, the supplemental supply of 56,000 acre feet per year from this project will not be enough to replace the amount of existing supplies that are projected to be lost, much less offset the future supply needs.

In Orange County, 2020 water needs are projected to be as high as 856,000 acre feet in an average year (MWDOC UWMP, page 2-10), and the desalination project has already been identified as part of the solution to offset projected losses and meet projected needs. The MWDOC UWMP specifically states that “seawater desalination is undoubtedly in the future of Orange County’s water supplies,” and describes a seawater desalination facility within the City of Huntington Beach (situated adjacent to the AES Huntington Beach Generating Station) as a “future water supply for Orange County.” (MWDOC UWMP, page 3-13).

Bulletin 160-98 describes the water supply reliability situation in the South Coast Region as follows: “Since local supplies are insufficient to meet water demands, the (South Coast) region imports more than 60 percent of its supply. A natural disaster or other emergency that would curtail or limit imports to the region would be detrimental. Water supply is a critical issue for the region and water agencies are seeking to ensure a more reliable and adequate supply in case of emergencies” (Bulletin 160-98, page 7-54). The objective of the proposed project is to meet that stated need by creating a drought-proof supply of domestic water and reducing Orange County’s dependence on imported water.

As the proposed project’s product water would aid in supplying a projected water supply shortage for the region and has been identified as an important water source in the MWDOC UWMP (the applicable regional, planning, water supply document), potential growth-inducing impacts are not anticipated to be significant.